

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**August 11, 2021**

Hotel Fresno Apartments, located at 1241-1263 Broadway Plaza in Fresno, requested and is being recommended for a reservation of \$1,167,455 in annual federal tax credits to finance the new construction of 78 units of housing serving tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Broadway Plaza-H, LLC and Deep Green Fresno, LLC and will be located in Senate District 14 and Assembly District 31.

Hotel Fresno Apartments will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD 811 Project Rental Assistance program. The project financing includes state funding from the AHSC program of HCD.

**Project Number** CA-21-650

**Project Name** Hotel Fresno Apartments  
 Site Address: 1241-1263 Broadway Plaza  
 Fresno, CA 93721 County: Fresno  
 Census Tract: 60190001.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,167,445	\$0
Recommended:	\$1,167,445	\$0

**Applicant Information**

Applicant: Broadway Plaza Family Apartments, LP  
 Contact: Eugene Kim  
 Address: 770 S. Irolo Street, Suite 1000  
 Los Angeles, CA 90005  
 Phone: 213-738-7389  
 Email: ekim@4apec.com

General Partner(s) or Principal Owner(s): Broadway Plaza-H, LLC  
 Deep Green Fresno, LLC

General Partner Type: Joint Venture

Parent Company(ies): APEC International, LLC  
 Deep Green Housing and Community Development

Developer: Same as General Partners above

Bond Issuer: California Municipal Finance Authority

Investor/Consultant: Credit Capital LLC

Management Agent: FPI Management

**Project Information**

Construction Type: New Construction / Adaptive Reuse  
 Total # Residential Buildings: 1  
 Total # of Units: 79  
 No. / % of Low Income Units: 78 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax Exempt / Section 8 Project-based Vouchers (19 units - 24%) / HUD 811 (19 units - 24%)

**Information**

Housing Type: Non-Targeted  
 Geographic Area: Central Valley Region  
 TCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 19	24%
40% AMI: 21	27%
80% AMI: 38	49%

**Unit Mix**

39 1-Bedroom Units
28 2-Bedroom Units
12 3-Bedroom Units
<u>79 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 1 Bedroom	30%	\$392
4 1 Bedroom	40%	\$523
1 1 Bedroom	80%	\$851
2 1 Bedroom	40%	\$523
13 1 Bedroom	80%	\$996
8 2 Bedrooms	40%	\$628
19 2 Bedrooms	80%	\$1,070
7 3 Bedrooms	40%	\$725
5 3 Bedrooms	80%	\$1,339
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,545,508
Construction Costs	\$20,594,852
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$161,628
Soft Cost Contingency	\$5,640
Relocation	\$0
Architectural/Engineering	\$893,461
Const. Interest, Perm. Financing	\$2,804,008
Legal Fees	\$510,000
Reserves	\$215,000
Other Costs	\$866,025
Developer Fee	\$1,400,000
Commercial Costs	\$0
<b>Total</b>	<b>\$30,996,122</b>

**Residential**

Construction Cost Per Square Foot:	\$164
Per Unit Cost:	\$392,356
True Cash Per Unit Cost*:	\$380,563

**Construction Financing**

Source	Amount
Bank of Hope - tax exempt	\$15,000,000
Bank of Hope - supplemental bond	\$4,000,000
AHSC Grant/Sponsor Loan	\$3,037,676
City of Fresno	\$1,900,000
Deferred costs during construction	\$1,445,722
GP Loan	\$1,204,134
Tax Credit Equity	\$4,408,590

**Permanent Financing**

Source	Amount
Bank of Hope	\$6,855,000
AHSC Loan	\$1,762,324
City of Fresno	\$1,900,000
AHSC Grant/Sponsor Loan	\$3,037,676
Opportunity Zone/Interest Earned	\$206,378
GP Loan	\$1,204,134
Deferred developer fee	\$931,630
Historic Tax Credit Equity	\$4,308,114
Tax Credit Equity	\$10,790,866
<b>TOTAL</b>	<b>\$30,996,122</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,473,579
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$2,819,130
Applicable Fraction:	100.00%
Qualified Basis:	\$27,915,653
Qualified Basis (Acquisition):	\$2,819,130
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,167,445
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,400,000
Investor/Consultant:	Credit Capital LLC
Federal Tax Credit Factor:	\$0.92432

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions**

The project has project-based Section 8 vouchers for 19 units from the Housing Authority of the City of Fresno as well as receiving a HUD 811 Project Rental Assistance Demonstration program contract for 19 units.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.